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TO: Acting Comptroller

FROM: Chief, Finance Division

SUBJECT: Procurement of TEF items and Payment of Co-
Invoices in Connection with Project MULTA

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1. As you know, the Agency has entered into contracts for the procurement of TEF items identified to the subject project wherein a substantial amount is being procured from [redacted]. In view of the fact that one of the principals of the [redacted] was also identified with the Agency in an official capacity, the Office of General Counsel reviewed this procurement action to determine whether the action was in violation of the conflict of interest statutes, specifically of 18 U.S.C., Sec. 434. The results of General Counsel's review of this matter are indicated by the attached copies of an exchange of memoranda between Chief, Procurement and Supply and the Office of General Counsel (Tab A).

2. The propriety of procurement contracts relating to Project MULTA and the [redacted] was further reviewed and confirmed in memorandum of the General Counsel dated 12 October 1953 (Tab B).

3. The volume of procurement and activity under written agreements received by this office involving Project MULTA are indicated by the attached schedule of payments processed, obligations incurred, and balance available as of 12 November 1953 (Tab C). Payments under contracts [redacted] are summarized on Tab D.

4. All checks covering payments under these contracts are delivered to TEF in accordance with instructions contained in memorandum from the DPA to the Comptroller, dated 17 April 1953.

5. In addition to delivery of checks as indicated above, in certain instances involving payments to or through the Geschickter Foundation, Inc., requests for payment have specified that "Two checks be drawn in favor of [redacted] to cover invoices as follows:

Subproject No.	Total Payment	Amount 1st Check	Amount 2nd Check
5	4,034.59	3,955.11	79.11
7	28,961.00	28,381.78	579.22
8	13,430.00	13,166.67	263.33
9	7,102.20	6,963.00	139.20
17	2,724.00	2,350.00	374.00
Total	63,251.79	61,816.59	2,435.20

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The reason or necessity for payment in this manner has not been made known to this Office. We are informally advised, however, that [redacted]

[redacted] is acting as a "cut-out" for some, and possibly all, of the FKLLT funds processed to or through the Geschickter Foundation.

[redacted] to Dr. Charles A. Geschickter, Director of the Geschickter Fund for Medical Research, Inc., located at 1836 Connecticut Avenue, N.W., Washington, D.C., with whom the Agency has two active contracts, namely FD-37 and FD-48, in the respective amounts of \$143,664.80 and \$52,010.00.

6. None of the procurement instruments covering the commitments discussed in the attachments provide for site audit and other generally accepted controls relating to the payment for contractual services. We have been waived in the administration of these contracts. We understand, however, that the Auditor-in-Chief has been instructed to make an audit or review of procurement actions under this project. We are not informed as to the nature of the review or audit to be performed by the Auditor-in-Chief; however, you may wish to furnish him with this material for such use as he may wish to make of it. Also, we will, of course, be glad to furnish you, or the Auditor-in-Chief, any additional information in this matter available to us.

Attachments - Tabs A, B, C, and D

FD/LBS:met